

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

SCOTT Y. WOOD, §
§
Plaintiffs, §
§
v. § CIVIL ACTION NO. H-06-2198
§
PENNTEX RESOURCES, L.P., §
§
Defendant. §

FINAL JUDGMENT

The court has issued a Memorandum and Order confirming the Corrected Commercial Award of Arbitrator (“Award”) dated September 19, 2007 and issued by the arbitration tribunal in the arbitration proceeding assigned American Arbitration Association Docket No. 70 180 Y 00437 06 (the “Arbitration Award”). In that Memorandum and Order, the court granted the Motion for Inclusion of Certain Provisions in the Final Judgment to aggregate and setoff monetary aspects of the Award and to award postjudgment interest under 28 U.S.C. § 1961.

The parties are awarded the following relief according to the terms of the Award:

(1) The Award ordered PennTex Resources, L.P. (“PennTex”) to pay Scott Y. Wood (“Wood”) the sum of \$92,540.07 and ordered Wood to pay PennTex the sums of \$217,428.76 and \$14,302.00. PennTex recovers from Wood the net sum of \$139,190.69, plus postjudgment interest at the rate of 2.5% per annum from the date of this final judgment to the date of payment.

(2) PennTex recovers from ERG Illinois Holdings, Inc. (“ERG Holdings”) the sum of \$88,776.84, plus interest at the rate of six percent (6%) per annum from August 16, 2007, to the date of this final judgment, plus postjudgment interest at the rate of 2.5% per annum from the date of this final judgment to the date of payment.

(3) PennTex recovers from ERG Holdings the sum of \$75,246.24, plus postjudgment interest at the rate of 2.5% per annum from the date of this final judgment to the date of payment.

(4) PennTex is entitled to, and Wood must promptly provide to PennTex, a signed release of dismissal of Wood’s claims filed against the defendants, Tsar Energy II, L.L.C. and Richard M. Cheatham, in the state-court litigation styled “ERG Illinois, Inc. and Scott Y. Wood v. Tsar Energy II, L.L.C. and Richard M. Cheatham,” cause number 2004-39584, the 334th Judicial District Court of Harris County, Texas, referred to in the Arbitration Award as the “Tsar Case.”

(5) PennTex recovers from Wood and ERG Holdings the sum of \$3,625.00, plus postjudgment interest at the rate of 2.5% per annum from the date of this final judgment to the date of payment.

This final judgment fully and finally disposes of Wood’s Original Complaint seeking declaratory relief that he was not a party to the underlying arbitration agreement between the parties, that he would not be bound by any award made in the arbitration proceeding, and that arbitration was premature. Having previously signed an order compelling the parties to

arbitrate, this court dismisses Wood's Original Complaint with prejudice. The defendant's counterclaim for an order compelling arbitration was previously granted.

All relief not expressly granted is denied.

This is a final judgment disposing of all parties and all claims in this action.

SIGNED on June 27, 2008, at Houston, Texas.



Lee H. Rosenthal
United States District Judge